

## Executive Branch Budget FY 2012 - 2014

---

Mary Lassiter, State Budget Director  
John Hicks, Deputy State Budget Director  
Kevin Cardwell, Deputy State Budget Director  
January 24, 2012

## Governor's Goals

---

- Improve job competitiveness
  - Protect education funding
  - Make progress in early childhood education
  - Provide healthcare for most vulnerable
  - Protect the public's safety
  - Make fiscally responsible and critical investments for the future
  - Run a lean and efficient government
  - Reduce reliance on one-time funds
-

## Budget Challenges

---

- ❑ Increasing, but modest revenues
  - ❑ One-time funds supporting spending levels not available
    - Stimulus funds
    - Funds from prior years
    - Deferred payroll
    - Non-recurring balancing measures
  - ❑ Increasing costs to maintain same services
  - ❑ Cumulative impact of five consecutive years of budget cuts
- 

## FY 12 General Fund Budget is Balanced

(\$millions)

---

### Problem:

Budget Gap between Appropriations and Resources	\$ 168.9
Additional Spending Reductions	\$ 21.0
Current Year Appropriation Needs	<u>\$ 10.4</u>
<b>Total</b>	<b>\$ 200.3</b>

### Solution:

Spending Reductions	\$ 118.4
Partial Use of Current Year Excess Revenues	<u>\$ 81.9</u>
<b>Total</b>	<b>\$ 200.3</b>

Budgeted Ending Balance	<u>\$ 19.9</u>
-------------------------	----------------

---

## Amendments to FY 12 Balancing Plan

### Additional Exemptions From 2% Cuts

- Preschool
- PVA's

### Current Year Appropriations

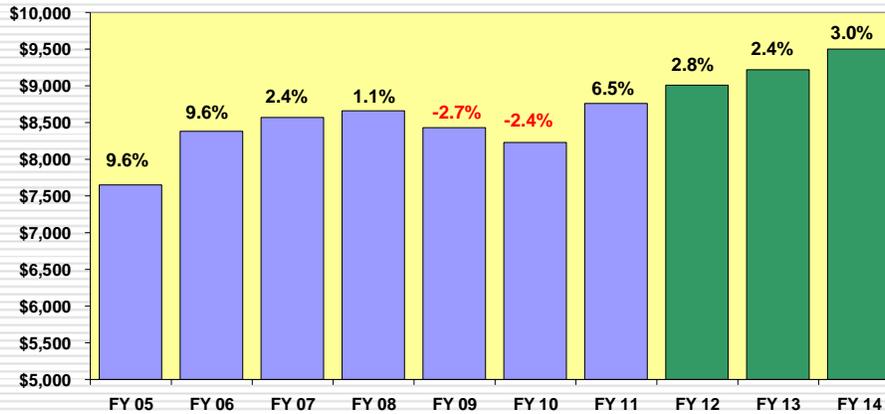
■ Mine Safety	\$ .9
■ Horse Park	\$ 3.5
■ Fair Board	\$ 5.5
■ Prosecutors	\$ .5
■ Total	<u>\$10.4 million</u>

## Sources of Funds

- No New Taxes
- No Expanded Gaming Revenues
- Modest Revenue Growth
- Tax Amnesty and Enhanced Compliance
- Fund Transfers
- Budget Reserve Trust Fund

## Modest Revenue Growth Predicted

(millions and percent change from prior fiscal year)



## Balanced Budget FY 12 - 14

	Biennial Total (millions)
<b>Official Revenue Estimate</b>	\$ 18,721
<b>Base Level of Spending</b>	\$ 18,648
<b>Additional Required and Recommended Spending</b>	\$ 815
<b>Total Recommended Spending</b>	<u>\$ 19,463</u>
<b>Gap Between Revenues and Spending</b>	\$ (742)
<b>Measures to Fill the Gap</b>	
Cuts	\$ 286
Fund Transfers	\$ 245
Use of the Budget Reserve Trust Fund	\$ 102
Tax Amnesty and Enhanced Compliance	\$ 61
Other Resources and Lapses	\$ 29
Beginning Balance	<u>\$ 20</u>
<b>Total Budget Balancing Measures</b>	<u>\$ 742</u>

## Additional Revenue Collections from Existing Taxes

---

- Tax Amnesty and Enhanced Compliance Program
    - Revenue collection incentives and enhanced compliance initiatives
    - \$59 million FY 13   \$2 million FY 14 (Net Impact)
  - Abandoned Property Program
    - Extend pilot program in Jefferson County and other appropriate areas
    - Liabilities turned into assets for communities
    - \$7 million FY 13   \$10 million FY 14
- 

## Tax Amnesty and Enhanced Compliance Program

---

- Last tax amnesty period was 2002
    - \$40 million net positive revenues
  - Since Kentucky's last Amnesty, 40 States have implemented similar programs to improve collections
  - Incentives to pay include waiving penalties and ½ interest due
  - Increased collection efforts and enhanced enforcement tools after amnesty period will preserve the enhanced revenues
-

## Tax Amnesty and Enhanced Compliance Program

---

- Primary focus:
    - Add new taxpayers to the tax rolls;
    - Provide delinquent taxpayers an opportunity to reestablish themselves as a compliant taxpayers; and
    - Provide additional state revenue for vital public services for the benefit all Kentucky's citizens.
  - Amnesty program will cover virtually all taxpayers under all taxes administered by the Department of Revenue
  - The tax amnesty period will occur in FY 13
- 

## Tax Amnesty and Enhanced Compliance Program

---

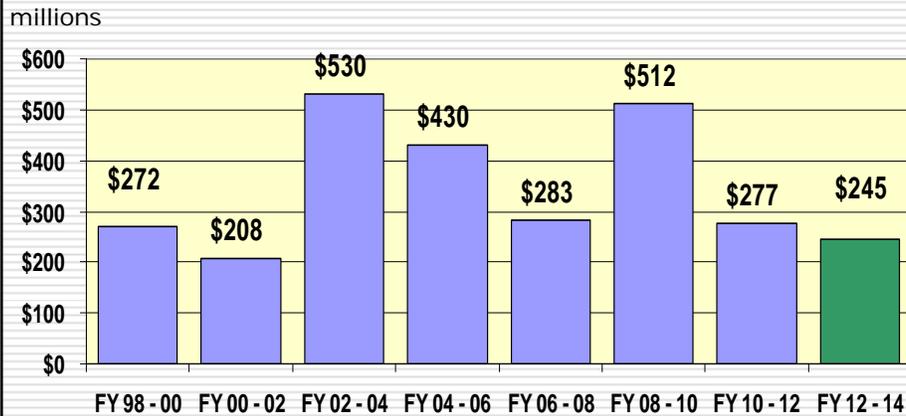
- General Fund Net Benefit of \$61 million over the biennium

	FY 2013	FY 2014	Total
<b>General Fund</b>			
<b>Gross Revenues</b>	\$ 73.1	\$ 13.9	\$ 87.0
<b>Required Expenditures</b>	\$ (13.9)	\$ (11.8)	\$ (25.7)
<b>Net General Fund Benefit</b>	<b>\$ 59.2</b>	<b>\$ 2.0</b>	<b>\$ 61.2</b>
 <b>Road Fund Benefit</b>	 <b>\$ 0.7</b>	 <b>\$ 0.2</b>	 <b>\$ 0.9</b>

---

## Proposed Fund Transfers lowest since FY 2000- 2002 Budget

---



FY 98 – FY 12 reflect actual fund transfer amounts

## Targeted Spending to Protect Priorities

---

- Most agencies reduced 8.4% in FY 13 and straight-lined in FY 14
  - Priority areas straight-lined or increased
  - Lesser reductions in several areas
-

## Highlights - Limited Areas with Additional Spending

	<b>Biennial Total</b>
	<u>millions</u>
<b>Debt Service</b>	
Existing Debt	\$ 372
New Bond Projects (\$304 million)	\$ 19
<b>Retirement and Health Insurance</b>	
Retirement Contributions to KERS	\$ 79
Health Insurance +2% per Year	\$ 45
Teachers' Retirement - Medical	\$ 43
<b>Corrections &amp; AOC - HB 463</b>	
Increased Parole and Pretrial Officers	\$ 14
New Local Corrections Assistance Fund	\$ 9
Reinvest Drug Law Savings	\$ 7

## Highlights - Limited Areas with Additional Spending

	<b>Biennial Total</b>
	<u>millions</u>
<b>Health and Family Services</b>	
Medicaid	\$ 84
Substance Abuse Treatment	\$ 8
Supports for Community Living	\$ 14
Community Placements for Adults with Severe Mental Illness	\$ 2
Community Based Services Caseload Reductions	\$ 21
Child Support Enforcement Match Replacement	\$ 18
New Eastern State Hospital - Lease and Operations	\$ 16
KASPER Enhancements	\$ 4
Adult Abuse Registry	\$ 2
Colon Cancer Screening Program	\$ 1
<b>Postsecondary Education</b>	
Restore Universities' Base to 2012 Originally Enacted	\$ 38
<b>Preschool Expansion</b>	
Expand eligibility for 4 year-olds from 150% to 160% poverty level	\$ 15
<b>Others</b>	
	\$ 5
<b>Total Recommended Additional Spending</b>	<b>\$ 815</b>

## Critical Areas Exempt from Cuts

---

- SEEK
  - Preschool
  - Medicaid
  - Corrections
  - Debt Service
  - Health Insurance & Retirement
  - Teachers' Retirement
  - Student Financial Aid
  - Coal Severance Funds
  - Community Based Services
  - Behavioral Health
  - Public Advocacy
  - Revenue Operations
  - Tourism – Fair Board, Horse Park
  - Mine Permitting, Reclamation & Enforcement
  - Veterans' Affairs
- 

## Most State Agencies Cut 8.4%

---

- Governor's Office
  - Attorney General
  - Auditor's Office
  - Treasurer
  - Dept. Agriculture
  - Sec. of State
  - Dept. Local Government
  - Military Affairs
  - Other General Govt. Agencies
  - Economic Development
  - Energy & Environment
  - Finance Cabinet
  - CHFS other than Medicaid, DCBS, Aging, Behavioral Health
  - Labor Cabinet
  - CPE
  - Public Protection Cabinet
  - Tourism Arts & Heritage
  - Public Transportation
  - Legislative Branch
-

## Judicial Branch

---

### Judicial Branch

- Net increase of 1.5% over biennium
    - Fund fit up for judicial centers coming on-line
    - Fund increases in health insurance and retirement contributions
    - Operational reductions required to balance
- 

## K-12 Education Highest Priority

---

- Preserves SEEK funding**
    - Same total General Fund appropriation in FY 13 and FY 14 as FY 12
    - Base per-pupil guarantee \$3,833 in FY 13 and \$3,827 in FY 14
  - Expands Preschool Eligibility to 160% of Poverty Level for 4-year olds in FY 14**
    - 4,430 more children will be served – 18% increase
    - Goal to expand to 200% of Poverty Level, adding another approx. 4,000 children by the end of Beshear administration
  - Funds \$100 million School Facilities Bonds**
    - Authorizes additional \$100 million Offers of Assistance
-

## K-12 Education Highest Priority

---

- Provides increase in health insurance funding to support 2% increase each plan year
  - 4.5% reduction in FY 13 for Non-SEEK grants to school districts; straight-lined in FY 14
  - Funds employer contributions for Kentucky Teachers' Retirement System
- 

## Postsecondary Education

---

- Restores \$18.9 million to Base Budgets shifted from FY 12 to FY 11
  - 6.4% Base Budget Reductions for Universities and Colleges
  - No cuts to student financial aid programs
    - Fully funds KEES program
    - No cuts to Need-Based programs
    - Fully funds National Guard Tuition Assistance Program
  - \$25 million General Fund bonds for asset preservation and maintenance – no General Fund bonds for new projects
  - \$451 million Agency Bonds
    - priority projects for which institutions have identified debt service and plan to move forward
-

## Education and Workforce

---

- Agencies
    - Education Professional Standards Board
    - Kentucky Comm. on Deaf and Hard of Hearing
    - Office for the Blind
    - Office of Employment and Training
    - Office of Career and Technical Education
    - Office of Vocational Rehabilitation
    - Kentucky Educational Television
    - Kentucky Dept. of Libraries and Archives
  - 4.2% reduction in FY 13
  - Straight-lined funding in FY 14
- 

## Health and Family Services

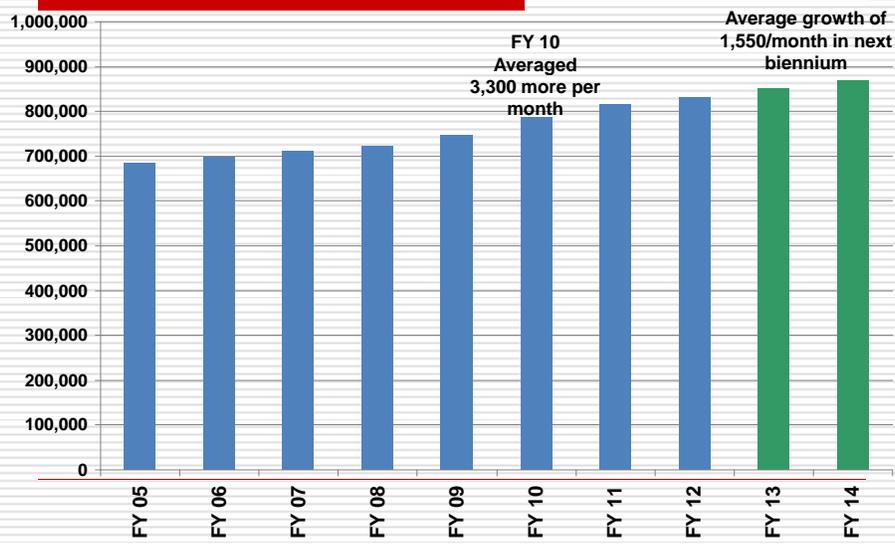
---

- Medicaid program exempt from reductions
    - Increasing costs and eligible members
    - Management initiatives proposed to contain cost increases
    - Expand substance abuse treatment
    - Expand community placements for those with intellectual disabilities and severe mental illness
  - Behavioral Health exempt from reductions
  - Reduce Caseloads in the Dept. for Community Based Services
  - Costs to Open New Eastern State Hospital
  - Maintain Child Support Enforcement Program
  - Expand the KASPER program
  - Create an Adult Abuse Registry – reduced cuts for aging programs
  - Match funding to begin colon cancer screening program
  - Balance of Cabinet cut 8.4% in FY 13; straight-lined in FY 14
-

## Medicaid

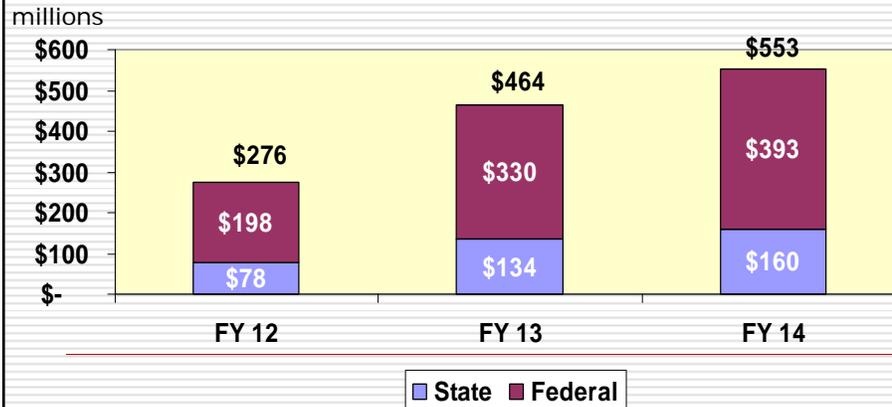
- Increased General Fund need because:
  - Increasing enrollment due to the recession
  - Increasing healthcare costs
- Cost increases mitigated by managed care
- Recommended General Fund increase of \$108 million over the biennium
- Continue to implement cost containment measures

## Medicaid Population is Still Growing – But at a Slower Rate



## \$1.3 billion Total Managed Care Savings

Additional \$294 million General Funds would be required for the next biennium without managed care savings



## Medicaid Investments

- Supports for Community Living**
  - Additional 800 community placements for individuals with intellectual disabilities
    - \$3.3 million FY 13      \$10.2 million FY 14
- Adults with Severe Mental Illness**
  - 200 community placements in FY 13, 400 more in FY 14
    - \$.6 million FY 13      \$1.2 million FY 14
- Substance Abuse Treatment for Adolescents and Adults**
  - Community based treatment programs for substance abuse
    - Coverage for 5,800 Medicaid eligible adolescents and adults
      - \$3.4 million FY 13    \$4.4 million FY 14

## Department for Community Based Services

---

- No cuts to the Department
  - Caseload Reduction Initiative
    - Protection and Permanency
      - \$10.8 million FY 13      \$9.9 million FY 14
    - Family Support
      - \$10.7 million FY 13      \$7.5 million FY 14
  - Maintain Child Support Enforcement – Match Replacement
    - Required to maintain current enforcement efforts
      - \$10.7 million FY 13      \$7.5 million FY 14
- 

## Public Health - Colon Cancer Screening Program

---

- Initial funding for HB 415 enacted in 2008
  - \$500,000 per year to provide colon cancer screening for uninsured Kentuckians
  - Provides access to screening for 2,000 uninsured Kentuckians
  - Funds will be matched dollar for dollar by *Kentucky Cancer Foundation* – total of \$1 million per year
  - Services to be provided by local health departments
  - Increased screening will save lives and money
-

## Public Employees and Retirees / Personnel Cabinet

---

- Honors the HB 1 scheduled increase in KERS and SPRS employer contribution rates
    - \$22 million FY 13            \$43 million FY 14
  - Provide funding to support 2% increase each plan year for health insurance costs
    - \$15 million FY 13            \$30 million FY 14
  - No furloughs
- 

## Economic Development

---

- Reinvests in programs to retain and create jobs
    - \$20 million High-Tech grants and loans – bond funds
  - Supports creation of Angel Investment Tax Credit Program
  - Funds One-Stop Business Portal
    - \$5 million for Phase I
-

## Energy & Environment

---

- Preserves mining programs
  - Balance of Cabinet cut 8.4% in FY 13; straight-lined funding in FY 14
  - Funds permanent cap for Maxey Flats Superfund site, with continued monitoring
    - \$17 million bonds
    - \$18 million trust funds from responsible parties
- 

## Department of Veterans' Affairs

---

- Veterans' Nursing Homes
    - Operating funds to open new wing at West Kentucky Veterans' Center in Hanson
    - Fund construction of 4<sup>th</sup> state veterans' nursing home in Radcliff
    - Reauthorize 5<sup>th</sup> veterans' cemetery in Leslie County
    - No operating budget reductions
-

## Finance and Administration

---

- 8.4% cut in FY 13 ; straight-lined FY 14
  - Revenue
    - No cuts to operating funds to support tax amnesty and revenue collection efforts
  - Debt Service on Existing Debt
    - \$177 M in FY 13    \$194 M in FY 14
    - Impact of previous debt restructuring
    - Payments on bonds previously authorized
- 

## Justice & Public Safety

---

- Corrections** - Core cost driver is incarcerated felon population

Consensus Forecast	FY 2013	FY 2014
Felon Population – Without HB 463	21,646	22,011
HB 463 Impacts	(1,782)	(2,871)
Projected Felon Population	19,864	19,141

---

## Corrections – HB 463 Implementation

### □ **HB 463 Summary – Savings and Reinvestment**

- Drug law changes
- Mandated re-entry supervision – last 6 months of sentence
- Good time credit while on parole
- Re-invest savings in expanded treatment programs, parole services, pre-trial release, and evidence-based practices

	<u>millions</u>
<b>Corrections &amp; AOC - HB 463</b>	
Increased Parole and Pretrial Officers	\$ 13
New Local Corrections Assistance Fund	\$ 9
Reinvest Drug Law Savings	\$ 7

## Net Decline in Corrections Budget

	millions		
	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
<b>Baseline</b>	\$ 455.4	\$ 449.0	\$ 438.0
<b>Reinvestment:</b>			
Reinvest Drug Law Savings into Expanded Treatment Programs	\$ -		\$ 6.8
Expansion of Probation and Parole Services +54, +84 Officers	\$ 3.6		\$ 5.7
Local Corrections Assistance Fund - 25% of Other HB 463 Savings	\$ 3.4		\$ 5.5
	<u>\$ 7.1</u>		<u>\$ 17.9</u>
<b>Other Cost Savings/Expenditure Reduction Measures:</b>			
Private Prison - Phase-out Otter Creek	\$ (2.0)		\$ (2.6)
Medicaid Savings - Affordable Care Act	\$ -		\$ (4.0)
Cut to Corrections Management and Local Jail Support	\$ (0.9)		\$ (0.9)
	<u>\$ (2.9)</u>		<u>\$ (7.5)</u>
<b>Additional Costs:</b>			
Retirement Increases	\$ 1.3		\$ 4.4
Public Safety First-needed to sustain-replace expiring federal funds	\$ 0.4		\$ 0.2
Debt Service - Maintenance Pool	\$ 0.1		\$ 0.4
	<u>\$ 1.8</u>		<u>\$ 5.0</u>
<b>Total Corrections General Fund</b>	<u>\$ 455.4</u>	<u>\$ 455.0</u>	<u>\$ 453.4</u>

## Justice & Public Safety

---

- 2.2% cuts for most agencies in FY 13; straight-lined in FY 14
    - State Police
    - Juvenile Justice
    - Justice Administration
  - Kentucky State Police Training Academy
    - \$2 million for replacement of administration and classroom building
  - Department for Public Advocacy exempt from cuts
- 

## Labor

---

- Agencies:
    - Workplace Standards
    - General Administration and Program Support – Shared Services
  - 8.4% reduction in FY 13
  - Straight-lined funding in FY 14
-

## Public Protection

---

- Agencies
    - Office of the Secretary
    - Alcoholic Beverage Control
    - Housing, Buildings and Construction
    - Board of Claims/Crime Victims Compensation Board
    - Board of Tax Appeals
    - Horse Racing Commission
  - 8.4% reduction in FY 13; straight-lined funding in FY 14
- 

## Tourism Arts & Heritage

---

- Most Cabinet agencies cut 8.4% in FY 13; straight-lined funding in FY 14
    - Secretary's Office
    - Arts Council
    - Parks
    - Department of Travel
    - Historical Society
    - Heritage Council
    - Center for the Arts
  - Fish & Wildlife Resources – no General Funds
  - Artisans Center at Berea – supported with Road Funds
-

## Most Agencies Cut 8.4% - on top of 25% – 30% cuts already taken

---

- \$1.3 billion has been cut from appropriations over the last four years
  - The easy measures have been taken
  - Impact of the additional cuts will be real:
    - service delays
    - more employee attrition
    - some possible layoffs
    - loss of federal funds
    - possible facility closures
- 

## Cumulative Impact of Cuts

---

Finance Agencies	30% - 38%	KET	27%
Labor	38%	Education and Workforce	23% - 27%
Area Development Districts	38%	CHFS Non-Medicaid	7% - 28%
Public Protection	30% - 38%	K-12 Non-SEEK	27%
Constitutional Officers	32% - 36%	Natural Resources	15%
Military Affairs	34%	State Police	15%
Environmental Protection	32%	Universities	15%
Tourism, Arts & Heritage	30%	Juvenile Justice	13%
Economic Development	29%	Veterans' Affairs	6%

---

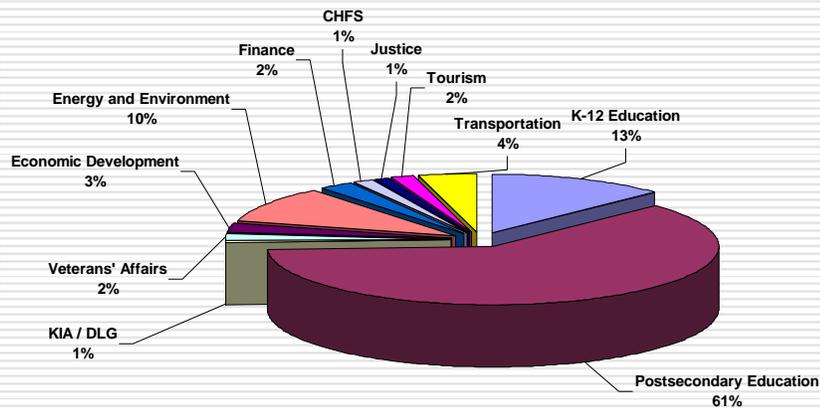
## Capital Budget Highlights

---

- ❑ Limited New Capital Program
    - Smallest since 1996
  - ❑ Invest in necessary state government infrastructure
  - ❑ **General Fund Bonds**           \$ 304 million
  - ❑ **Road Fund Bonds**             \$ 23 million
  - ❑ **Agency Fund Bonds**       \$ 451 million
  - ❑ **Total**                             \$ 778 million
  - ❑ Debt Capacity Ratio = 6.3%
- 

## Total Bonds Authorized

---



## Capital Budget –General Fund Bonds

	millions
K-12 Education	\$ 100
Energy and Environment	\$ 78
Postsecondary Education	\$ 25
Economic Development	\$ 20
Finance	\$ 19
Veterans' Affairs	\$ 14
Tourism	\$ 13
CHFS	\$ 11
Transportation	\$ 10
Justice	\$ 9
KIA / DLG	\$ 6
<b>Total</b>	<b>\$ 304</b>

## General Fund Supported Bond Projects

Agency	Project	Amount millions
<b>Obligations</b>		
School Facilities Construction Commission	2010-12 Offers of Assistance	\$100.0
Environmental Protection	Maxey Flats Cap	\$17.0
Ky Infrastructure Authority	KIA - Wastewater Revolving Fund Match	\$1.5
Ky Infrastructure Authority	KIA - Drinking Water Revolving Fund Match	\$2.2
	<b>Subtotal-Obligations</b>	<b>\$120.7</b>
<b>New Projects</b>		
Veterans' Affairs	Fourth Veterans' Nursing Home - Radcliff	\$14.0
Parks	Splash Park Development-Variou Parks	\$3.0
Local Government	Flood Control Matching Fund	\$2.0
Murray State University	Breathitt Veterinary Lab-Site Acquisition and Design	*
State Police	Demolition and Construction of Training Academy Building	\$2.0
Finance	Lexington Downtown Redevelopment Project-Planning & Design	\$3.5
Justice Administration-Medical Examiner	Site Acquis. & Design-Jefferson Co. Medical Examiner Lab and Office	\$1.0
	<b>Subtotal-New Projects</b>	<b>\$25.5</b>
<b>Deferred Maintenance/Major Maintenance</b>		
Council on Postsecondary Education	Asset Preservation/Renovation Pool	\$25.0
Various Agencies	Maintenance Pools	\$22.5
Environmental Protection	State Owned Dam Repair	\$2.5
Finance	Statewide Microwave Network (KEWS) Maintenance	\$2.2
Finance	Parking Garage Maintenance	\$1.5
Finance	Council of State Governments Building Complex	\$5.5
Behavioral Health	Electrical System Upgrade at Western - Design	\$1.0
Parks	Upgrade Wastewater System-Ft Boonesborough	\$2.0
Fair Board	Parking Garage Maintenance	\$2.0
	<b>Subtotal-Deferred Maintenance/Major Maintenance</b>	<b>\$64.2</b>
<b>Economic Development</b>		
Economic Development	High-Tech Contruction/Investment Pool	\$20.0
Finance	One-Stop Business Portal	*
	<b>Subtotal-Economic Development</b>	<b>\$20.0</b>
<b>Others</b>		
Medicaid Administration	Medicaid Eligibility System	\$5.0
Environmental Protection	Petroleum Underground Storage Tank Projects	\$64.0
Energy & Environment	Ky Heritage Land Conservation Fund Projects	\$4.6
Transportation	Wetland Restoration	\$10.0
	<b>Subtotal-Others</b>	<b>\$73.6</b>
<b>Total General Fund Bonds</b>		<b>\$304.0</b>

\* Reauthorized - not new bonds

## Capital Budget – Agency Bond Projects

■ University agency bond projects authorized at levels the universities can support and actually plan to issue	millions
■ Eastern Kentucky University	\$ 64
■ Morehead State University	\$ 24
■ Murray State University	\$ 19
■ Northern Kentucky University	\$ 67
■ University of Kentucky	\$200
■ University of Louisville	\$ 39
■ Western Kentucky University	\$ 39
■ Total	\$451

### Agency Bond Projects

Projects	Agency Bonds (millions)
<b>Eastern Ky University</b>	
Renovate Residence Hall-Additional	\$ 6.0
Refinance ESPC	\$ 27.0
Construct University Activity Center, Phase II	\$ 31.3
<b>Total</b>	<b>\$ 64.3</b>
<b>Morehead State University</b>	
Renovate West Mignon Residence Hall-Add	\$ 0.6
Renovate Cartmell Residence Hall	\$ 11.1
Renovate Mignon Residence Hall	\$ 9.3
Construct Food Service/Retail & Parking Struct-Add	\$ 2.1
Replace Exterior Precast Panels-Nunn Hall-Add	\$ 0.4
Construct Residential Facility at Univ. Farm-Add	\$ 0.3
<b>Total</b>	<b>\$ 23.7</b>
<b>Murray State University</b>	
Construct New University Library- Design	\$ 3.8
Renovate Hester Hall	\$ 8.4
Complete Capital Renewal: H & D Pool < \$600,000	\$ 6.5
<b>Total</b>	<b>\$ 18.7</b>
<b>Northern Ky University</b>	
Expand/Renovate Albright Health Center	\$ 45.0
Acquire/Renovate New Residence Hall	\$ 10.0
Expand University Drive Parking Garage	\$ 12.0
<b>Total</b>	<b>\$ 67.0</b>
<b>University of Ky - Agency Bond Pool</b>	<b>\$ 200.0</b>
<b>University of Louisville</b>	
Purchase Land for Support Services in Northeast Quadrant	\$ 15.0
Guaranteed Energy Savings Contract-Additional	\$ 4.5
Expand Student Activities Center	\$ 19.5
<b>Total</b>	<b>\$ 39.0</b>
<b>Western Ky University</b>	
Renovate Downing University Center-Phase V	\$ 16.5
Construct Honors College Facility	\$ 22.0
<b>Total</b>	<b>\$ 38.5</b>
<b>Grand Total</b>	<b>\$ 451.3</b>

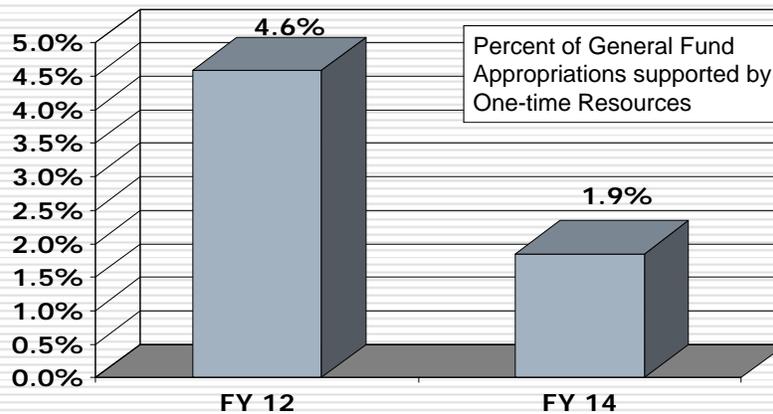
## Surplus Expenditure Plan

---

- ❑ Necessary Governmental Expenses
  - ❑ 50% to Restore SEEK funding to FY 12 Per Pupil Guarantee
  - ❑ 50% to Restore Budget Reserve Trust Fund
- 

## Reduced reliance on one-time funds Improved Structural Balance

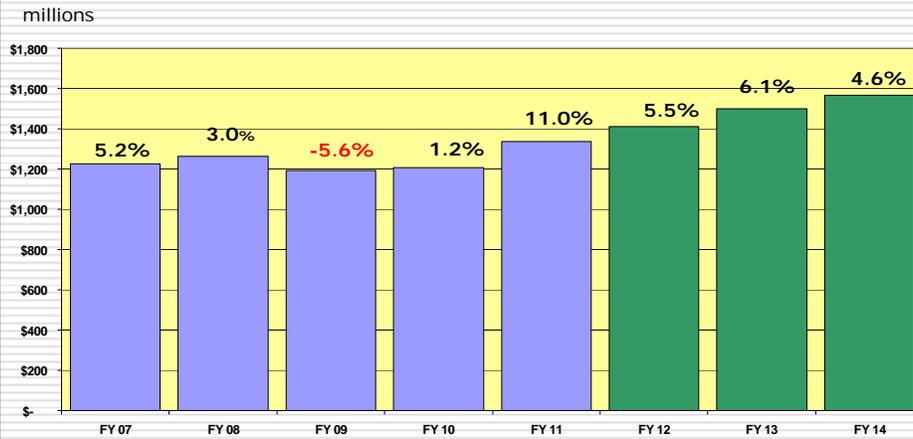
---



FY 12 at enactment

FY 14 proposed

## Road Fund Revenues Improving



## Transportation Cabinet

- Increased revenue sharing with local govts.
  - \$34 million FY 13    \$25 million FY 14
- Replace the drivers' licensing system
- County Maintenance Facility Replacements
  - Replacing 7 county maintenance facilities and salt domes

## 2012 Six Year Highway Plan

---

- Projects selected will:
    - Solve a maintenance problem
    - Address a known safety concern
    - Deal with significant traffic congestion
    - Improve highways for Kentucky's employers and citizens
  - Annual design and construction contract lettings of \$1 billion
- 

## Executive Branch Budget FY 2012 - 2014

---

Mary Lassiter, State Budget Director  
John Hicks, Deputy State Budget Director  
Kevin Cardwell, Deputy State Budget Director  
January 24, 2012